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Frank J. Gammie, Jr.
C. General Corp., Inc.
North Hollywood
07 OCT 1968

CULTURAL AND TRADE AGREEMENT BETWEEN JAPAN,

GERMANY AND ITALY

(1) Close cooperation between the signatories of the anti-Comintern Pact was demonstrated by the conclusion of cultural treaties between Germany and Japan on 27 November 1936, and Italy and Japan on 23 March 1939. These treaties provided for systematic promotion of cultural relations in the fields of science, fine arts, music, literature, motion pictures, radio broadcasts, mail and youth movements, sports, etc. The result sought to be obtained was alleged to be the strengthening of the ties of friendship between the nations concerned and the possibility of the two countries entering political alliances was recognized. In a speech at the opening of the Japanese-German Cultural Committee, M. GANSER declared his confidence that the political friendship of the two nations would be secured by the agreement.

(a) Document 996, (Bundt No. 37):

AGREEMENT BETWEEN JAPAN AND GERMANY

PERTAINING TO CULTURAL COOPERATION

The Imperial Government of Japan and the Government of Germany, recognizing solemnly that, in view of the fact that Japan's war popular spirit and Germany's racial and national life constitute respectively the essence of Japan's culture and Germany's culture, the cultural relations between Japan and Germany should be based on these factors, and desiring to further strengthen the friendly and mutual trust, which fortunately binds the two countries already, by deepening the various cultural relations between the two countries and also by promoting the mutual knowledge and understanding between the peoples of the two countries, have entered into an agreement as follows:

ARTICLE I

"The High Contracting Powers shall mutually cooperate most closely in order to strive to establish their cultural relations on a firm basis.

ARTICLE II

"The High Contracting Powers, in order to achieve the object of the preceding article, shall systematically promote the cultural relations between the two countries in the fields of learning, arts, music, literature, cinema, radio broadcasting, youth movement, and sports.

ARTICLE III

"The particulars necessary for the enforcement of the provision of the preceding article shall be decided by discussion between the competent authorities of the High Contracting Powers.

ARTICLE IV

"This Agreement shall be enforced from the date of its signature. Either one of the High Contracting Powers may denounce this agreement by giving twelve months' advance notice.

"In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Agreement and affixed their seals thereto.

"Drawn up in duplicate, Japanese and German, at Tokyo on November _____ of the 13th year of Showa, or November
_____, 1954.

Foreign Minister of Japan
Extraordinary and
Ambassador Plenipotentiary
of Germany."

On the 15th day of June 1954, after having the explanations
(b) Program 1962, (Budget 1963) given, we have
arrived at Conference on the Conclusion of Agreement for
Cultural Cooperation between Japan and Germany.

November 22, 1938 - Original - Number 27

During the period just preceding the conclusion of

Secretary of the State Council on the Organization of
the People's Government of the People's Republic of China.

Minutes of the Privy Council on the Conclusion of

Agreement for Cultural Cooperation between Japan

is planned fully on the **and Germany**, the replacement of the

1952年1月25日，中国科学院植物研究所召开了“全国植物分类学讨论会”，会期10天，地点在北平植物园内。

Wimberly presents between Germany and Japan a series

Chairman HIRANUMA The working conditions of workers

As for the Indians, the significance of cultural relations

Ministers: Dr. John C. Green, Dr. John L. Gaskins

No. 8 Minister of Education - ARAKI

No. 25 Minister of War - ITAGAKI ~~Minister of War~~

SPYR8754

Chairman KIRANMAI: The conference will open from 9.30 a.m.

The topic of discussion is the Conclusion of Agreement.

for cultural cooperation between Japan and Germany. The

for cultural cooperation between Japan and Germany. Reading aloud and first reading will be omitted and I

reading aloud and first reading will be followed at the next meeting for a report from the Chairman of the Investigation.

request for a report from the Chairman of the Investments Committee immediately.

Committee immediately. ready to appropriate valuable services

“DRAFT GOVERNMENT TARIFFS” On the inquiry concerning the

Conclusion of Agreement for Cultural Cooperation between

Japan and Germany, two officials who were recently captured.

efforts to regularise cultural relations between India and

1996-1997 学年第一学期 期中考试卷

as an investigation committee, held a committee meeting on the 16th day of this month. After hearing the explanations of the minister and various officials concerned, we have concluded the following strict investigation results:

"For many years, on cultural matters concerning medicine, literature, legislation and various other fields, a mutual and close relationship existed between the two nations of Germany and Japan but with and after the conclusion of the Anti-Comintern Agreement in November two years ago, national intercourse between the two nations entered into a renewed unity. On the latter part of September of this year the German Government proposed for a conclusion of a cultural agreement between Germany and Japan, a recent practice prevalent between the various countries of Europe, so as to legalize the enlightenment of cultural relationship between the two nations, thus leading to furthering the promotion of the cause and provoking to strengthen all the more our tie of friendship. Our Imperial Government approved this proposal. Thereafter the authorities of both parties concerned have conducted numerous negotiations and the arriving at an agreement led to the realization of this definite plan of a past. However this does not mean that our Imperial Government prefers such an agreement with Germany alone. If conditions permit, similar agreements should be concluded with other nations also, as this cultural intercourse has a tendency to contribute valuable service to achieve the general aims of diplomacy. This was voiced by our authorized minister concerned.

"This agreement lays down provisions and fundamental rules to legalize cultural relation between Japan and

Germany, and as stated in the introduction, both nations by convention should seek relations supporting the characteristic spirit of Japan and the racial and national life of Germany, which respectively form the essence of each nation's culture. It will not only help to deepen relations with all forms of culture but also enhance the furthering of mutual knowledge and understanding to a better state so that the friendly and mutual trust already existing between the two nations will be ever firm. In the text, Article I provides that the two nations, Germany and Japan, with close mutual cooperation will put in every effort to establish cultural relations on a solid basis. Article II provides for this purpose, the two nations will systematically promote cultural relations in all fields of science, fine arts, music, literature, motion pictures, radio broadcasts, movement of child and youth, sports, etc. Article III provides that the detailed, necessary means of putting this into practice will be left with and decided upon by negotiations between the responsible authorities of the two nations. Article IV states that this agreement will come into effect from the date of signing and it could be abrogated at twelve months notice from either party of the two nations.

"Our investigation observes that a conclusion of such an agreement is an actual plan to develop cultural relation and promote a friendly relationship of more sincerity between the two nations. This agreement will also contribute to uplift the culture of both nations and at the same time all apprehension be taken so that the people may not be misled.

My other, I wish to have ~~the~~ government's comment on this

Page 37 (Continued)

to a marked degree in fostering the goodwill of national
interventions. For these reasons it is a pertinent principle
and also we see nothing to fear which may be of any
hindrance of any kind. Hence, the decision of the in-
vestigating committee by unanimous vote is that the plan
should be adopted as it stands.

"The foregoing is a report on the result of our in-
vestigation. It should be made the subject of our in-
vestigation.

On the second point with regard to proposed to add
PRO. 28 (TREATY).
In the original version of the culture of the
two nations its introductory provision, which I take from
the basis of this agreement, it is said that the essence
of the culture of Japan and Germany as consisting of the
characteristic spirit of Japan on the part and the racial
and national life of Germany on the other. This seems
somewhat out of coordination, but since it is so designated,
I want to hear the reason, and what is embraced in the
term, "the racial and national life of Germany." According
to German nationalism or racism and a current conception
of the present day, the German race is attempting to unify
and assimilate over those people who inhabit other nations
while banishing another race even though living in her own
country. Whereas the characteristic feature of our spirit
holds equality on all races without prejudice. This
emphasizes the differences in view between this and that
nation. Although directly nothing is stated relative to
politics, this agreement may bring about some kind of
influence politically. So I deem it important that special
precaution be taken so that the people may not be misled.
However, I wish to hear the government's comment on this
aspect.

Mo. 17 (cont.)

The writer, the author and publisher, are of opinion that there is more than the religious side of Germany. The reason for the admiration of the time was because of the close liaison in the field of commerce at the moment of negotiations, experiencing that their characteristic spirit being predominant in the racial and national life of Germany. It should be noted the essence of her culture.

On the second point this agreement proposes to all

in the Western and European countries upholding of the culture of the two nations. It recognises that cultural relations of Japan and Germany form the basis of the characteristic spirit of each respective nation. Therefore it will be that there will be very influential politically. However, it is necessary that there are good relations of fact in the carrying into effect of the agreement. Measures must be taken.

Mo. 18 (cont.)

On the side I understand, but it is conceivable that there should be some means of ward against all possible damage on the part of one nation before the "accord" is concluded.

Colonial (International) Bank and other financial institutions in this and other countries are to be given

1917-1918. Vol. 1. No. 1. 1918

1918

take a vote. Those who approve the project, please stand up. (Everybody present stood up) And so, the "Chairman (HIRANUMA): Decided in favor of, unanimously. This closes our meeting today."

• • •

(a) Document 209, (Exhibit No. 38):

AGREEMENT ON CULTURAL COOPERATION BETWEEN JAPAN AND ITALY.

"The Japanese Government and
"The Italian Government,
"Naturally animated by a desire to deepen the mutual understand-
standing of both countries and to strengthen more and more
the bonds of friendship and mutual confidence so happily
existing there already, by mutually respecting their in-
trinsic cultures based on their time-honored traditions and
by promoting their manifold cultural relations.

"Have agreed upon the following articles:

ARTICLE I.

"The High Contracting States shall strive to put their
cultural relations on a firm foundation and shall most
closely collaborate in these regards.

ARTICLE II.

"In order to attain the aim set forth in the preceding
Article, the High Contracting States shall ever promote
their cultural relations through the instrumentality of

...through the the cultural mission of the
sciences and art, music and literature, stage and screen,
photography and radio, youth movements and sports, etc.

Article VI.

"The competent authorities of the High Contracting
States shall decide by mutual agreement the detailed
measures necessary for the execution of the stipulations
of the preceding Article.

THE PRESENT AGREEMENT HAS IN ARTICLE IV.

"The present Agreement shall enter into force on the
day of its signature. It shall expire twelve months after
one of the High Contracting States shall have denounced it.
Witness whereof, the Undersigned, duly authorized
by their respective Governments, have signed the present
Agreement and affixed hereunto their seals.

"Done in duplicate, in Japanese and Italian original
texts, at Tokyo, the 23rd of March 1939 i.e. the 23rd day
of the 3rd month of the 26th year of Showa-Period cor-
responding to the 23rd day of the 3rd month of the 27th year
of Fascist-Period.

of the undersigned on behalf of the Ambassador of
(L.S.) Masahiro Arima.

of the undersigned on behalf of the Ambassador of
(L.S.) Giuseppe Martini.

Witnessing great Treaty importance thereto to the
undersigned.

"After the speech had been delivered the Ambassador of
the
40. Document 40300. (Exhibit No.)
the Ambassador of Japan and
then introduced a speech which Ambassador of Japan
will give. At the end of the speech, a brief, noncommittal
written formula.

"Tokyo, 3 April, 1940.

Signature illegible

"Program for the Opening Session of the
German-Japanese Culture Committee

The first German delegation to the Japanese duty
to be to welcome **WANG YIQUAN**, the minister of the
ministry. The opening session takes place in the Federal
Council Hall of the Foreign Office. The guests arrive
at about 2:00 hours. The session begins at 2:30 hours.
It is opened by a speech of welcome from **PROFESSOR**
von WEISZÄCKER. **His Excellency** the Imperial Japanese
Ambassador replies to it. **AMBASSADOR** **von SWINDEN** also
speaks. **WANG YIQUAN** pays in the speech an exchange between
the following that, the participants in the opening session
go to the Hotel Kaiserhof, where the reception
takes place. German hospitality and liberality. For 1/2,
1000. The guests arrive at about 3:00 hours in the Hotel
Kaiserhof, after taking off their overcoats in the cloak-
room, they meet in the Yellow Room. After arrival of the
State Secretary, the guests find themselves at the tables
set up in the Great Hall. Up and down for first course,
which takes about a quarter of an hour. The distribution
of the guests at each of the tables is effected so that a
representative participant is seated for each table, while the
remaining guests freely appropriate themselves to the various
tables. Japanese Embassy has informed the Embassy of the
Japanese that the guests have been served tea and coffee. The
State Secretary greets those present at about 3:30 hours and
then introduces a speech which **AMBASSADOR** **von SWINDEN**
will give. At the end of the speech, a brief, summary
meeting follows, for about ten.

"Berlin, 3 April, 1940.

Signature illegible

"SPEECH OF WENGBANGKAH AT THE OPENING SESSION OF THE GERMAN-JAPANESE CULTURE COMMITTEE.

"Your Excellency, Gentlemen, It is a pleasant duty for me to welcome you all today on the occasion of the meeting of the German-Japanese Culture Committee.

"And my special greetings go to you, Your Excellency, Ambassador GRIMM. Your presence here proves again your active interest in the Committee, which represents a further, and in many respects a new kind of, connecting link between Germany and Japan and has been called upon to play a significant part in the spiritual exchange between our two nations. You have, we know, besides your political and economic professional questions, occupied yourself most deeply with German philosophy and literature. For us, therefore, you are, as a personal expert in German spiritual life, the best guarantee for the advancement of the cultural correlation of our countries.

"The formation of the German-Japanese Culture Committee, proposed from the German side, has met with the agreement of the Imperial Japanese Embassy. The Berlin Committee, just like the corresponding committee in Tokyo is composed equally of five Japanese and five Germans.

"I warmly welcome the fact that Envoy UGAMI, as adviser in the Japanese Embassy has undertaken the leadership of the Japanese group in the committee, and that the other Japanese gentlemen hopefully represent all Japanese life in Germany. I thank you, gentlemen, for your readiness to undertake the office proposed to you, and gladly count on your lively participation in our chosen task.

Japan by ~~the~~ ^{the} Japanese Ambassador. As the willfulness

My dear friend a special place in the Foreign
Ministry has been reserved for you, and the Foreign
Ministry, as representative of the Reich Ministry for
the Affairs of the Reich, I am glad that this Foreign Min-
istry, Education, Education and 'National Education,' and you,
Ministry Director ERNST, as representative of the Reich
Ministry for National Enlightenment & Propaganda. In
relations between Germany and Japan we cannot be satisfied
that knowledge of each other's country should be confined
to a small circle of experts. Rather must a real mutual
understanding between the nations be extended to the
widest possible circle in the nations concerned, by means
of real knowledge and comprehension. National education
and national enlightenment are the most important means
for the attainment of the high goal we have in mind. Your
presence bears witness that you will do your part in the
spheres of your respective ministries to crown these efforts
with success.

"Following the precedent in Tokyo, it seemed suitable to the Foreign Office that the Foreign Office should itself be presiding over the committee. Therefore the head of the Cultural Political Department, Envoy Doctor Von THIERSCHKI has been entrusted with this task.

Just in the last few years relations between organizations and societies in the Nazi Party /NSDAP/ and Japan have developed very gratifyingly. As examples of this I mention the fact that the Reich Board of Health has concluded an agreement with the Japanese-German Medical Society and that the Reich Youth Board is permanently represented in Japan by GROSSERINTS-FURHNER SCHULZIE. As the utilization

of the organisations and societies of the Nazi Party
/NSDAP/ should follow a unified point of view, the Foreign
Office has asked the Fuehrer's deputy to send a representa-
tive to the Committee. I am glad that this proposal has
been complied with, and heartily welcome Herr SCHULZ-
STRATHAU to this circle.

"This, like the addition of advisers and experts, is
an innovation in the sphere of Culture Committees. I
expect much for the activity of our committee from the ef-
fectiveness of these co-workers. I think the parties here
concerned for the fact that they are willing to fit their
work abroad in their occasional special spheres into the
great frame of our efforts and tasks in linking our peoples
together. Through your share in the committee you, the
advisers and experts, will be currently informed of the
whole picture of the German-Japanese Culture Committee and
be put in a position to adopt suggestions and possibilities,
which arise in the one sphere, in your own spheres of work
in the same way. In this way every fruitful thought and
every show of initiative must be made available to all con-
cerned, and a maximum of achievement be obtained by systematic
work which is only possible through the fitting of individual
enterprises into the general frame.

"The German-Japanese Culture Committee is a working
committee which, in accordance with the German-Japanese agree-
ment on cultural cooperation of 25 November 1938 will discuss
and advise on practical measures, the achievement of which
will be suited to systematically furthering German-Japanese
cultural relations.

The cultural relations between the two countries are to

"The activity of the already existing committee in Tokyo is above all serving the deepening of the knowledge of German culture in Japan. Similarly I see the task of the committee here as lying in the main in the direction of Japan-Germany, that is as working for the spread of the knowledge of things Japanese in Germany. The agreed and stipulated systematization of our efforts demands, however, that the activities of both committees are coordinated and that each committee for its own part furthers the enterprises of the other. This will be one of the essential tasks of the Foreign Office.

"From what has been said, our Japanese friends may see that we have tried to create all the technical prerequisites for a close practical cooperation.

"A fundamental prerequisite, however, for the deepening and broadening of mutual international intercourse is the readiness of the nations themselves to give spiritually as well as to take. This readiness is in existence in wide circles of the German nation. To spread it over wider areas, and that Germany and Japan will not be exceptions is the task of this committee and the circles represented in the organization of mutual intercourse mentioned in it.

"A second, just as important, fundamental of international cultural work has been expressed in the preamble to the German-Japanese culture agreement. Both governments have there declared that they are impressed with the realization that the German and Japanese cultures have their true home in the German national and racial life on the one hand and the ignote Japanese spirit on the other, and that the cultural relations between the two countries are to

pointless, to our universal satisfaction and joy, there has arisen in this committee a new, effective instrument which shall and will ever strengthen the traditional close spiritual bonds between Germany and Japan. I am however convinced that the political friendship which so fortunately unites our countries will also be further deepened, and that Germany and Japan will set an example in the cultivation of peaceful international intercourse.

"I declare the German-Japanese Culture Committee established."

(2) Ambassador Tung, as previously shown, stated to the RIBBONWOOD on 28 January 1936 that the time would soon come when Germany and Japan should begin discussions of commercial and other agreements regarding the new China which was about to be constituted.

As the result of negotiations, Ambassador TOGO presented to RIBBENTROP on 29 June 1938 a *Pro Memoria* relating to this subject, and on the same day VON BISMARCKHOF prepared a memorandum setting forth the explanations made by Ambassador TOGO of certain phases of the *Pro Memoria*. Ambassador TOGO explained that the Japanese Government would like to avoid the expression "North China" in the *Pro Memoria* and that the Japanese Government had agreed with Ambassador TOGO that the Japanese would be willing to grant Germany a better trade position than any other nation but did not desire to commit herself in the form of a definite treaty. In a conference with RIBBENTROP on 6 July 1938 Ambassador TOGO again insisted that German suggestion referring to economic cooperation in "the areas of China which are under Japanese influence" be changed throughout the *Pro Memoria* to "Chinaw" for the reason that the Japanese Government hoped to extend its influence over all of China and desired to avoid the possibility of a division of China into areas which either were or were not under Japanese influence. Reports from German representatives indicated that all German trade in North China was being ruthlessly eliminated in favor of the Japanese. German demands that preferential trade treatment be granted were denied but Japan agreed to a de facto improvement in practice without written obligation. In July 1938 a formal agreement regarding trade was reached between Japan and Germany but was not actually signed due to the conclusion of the German-Russian Non-Aggression Pact.

connected with the present **Journal** in C. and continuing

(a) Refer to Document 1274, (Exhibit No. 1), Memorandum by Weizsaecker dated 28 January 1938, page 72 of brief.

Government's position on each of the following:

(3) Dr. Dent 4011B, (Exhibit No. 18)

General Berlin, 29 June 1918

72.) In the repeated discussions which Reich Minister for Foreign Affairs DR. ALLENBROD had with the Japanese Ambassador in Berlin, 1930, over the economic construction /Aufbau/ in China, the Reich Minister recognized the special position which Japan holds in China and shared the view with the Ambassador that Japan and Germany must cooperate economically still more closely in China in the spirit of the Anti-Comintern Pact which had been concluded between the two countries. Accordingly, the Reich Minister declared to the

Indicates the willingness of the German Government to try to do its best for economic and technical cooperation with China further. He at the same time informed the Ambassador that the Japanese Government for its part would proceed in the same manner and that in particular it would take the especially generous and considerate actions especially to regard German interests in China.

"(2.) After the Ambassador had informed the German Government of the areas and regions of the communications as outlined above, the Ambassador was then instructed by the Imperial Government to communicate the following to the German Government:- The Japanese Government is agreed with the points mentioned in I.) and accordingly intends, with regard to the economic activity concerning Germany's foreign trade in China to observe the following lines in future.

"(a.) In future the Japanese Government will consider Germany ~~as a friendly country~~ in her economic activities in China with a view that the German Government would like to have a friendly (friendly to us) relationship with China, and is accordingly prepared in individual cases, in which future proposals will be made by Germany with a bearing on this, to promote German interests where possible. This benevolent treatment of Germany of course does not encroach upon Japan's economic cooperation with third powers.

"(b.) The Japanese Government is of the opinion that ~~the German~~ ~~the German~~ in China has to stand fundamentally on the same footing with the Japanese. It will consequently

do its best for both countries to enjoy the same treatment
as regards customs and accordingly in the event of any
special duties and export regulations, assessment of penalties
make of advances or other measures for the control of the
gold and payment arrangements being met with, which make
the position of equality of Germany practically impossible,
the article concerning the different nature of German or
Japanese currencies, German interests will be particularly
immediately considered and at least the most favorable
agreement that other powers (including Japan and Holland)
may, will be created to here."

On the 28th of December, 1933, the
Diplomatic Corps of the German Government
held a meeting to discuss the Japanese
Proposed Memorandum.

(a) Document 4021a, (Exhibit No. 10) German proposal
"Plan 240" concerning regarding the Pao Memorandum.

"The Japanese Ambassador Togo, who had announced himself,
visited me today at 13.30 hours.

"He handed me the Pao Memorandum attached in the enclosure.
As an explanation he added that the Japanese Government would
like to avoid the expression 'North China' in such a Pao
Memorandum and would like to put 'China' in its place. Furthermore
the Japanese Government was not able to assure Germany
a better position than all other powers in a treaty form.
Therefore the formula mentioned at the end of the Pao Memorandum
had been chosen in order to meet our wishes as far as possible.
I declared myself not satisfied with the formula.

"Among other things I explained to the Japanese Ambassador
whether the formula in paragraph a.) of the Pao Memorandum

deserved this name, Pao Memorandum.

could not be changed in such a way as that it would read: 'to further German interests to a specially great degree' instead of 'to further German interests as far as possible'. The Japanese Ambassador seemed to consider a change of that sort possible, although it may be difficult. Then he declared that he once more emphasized in this way that the Japanese Government would do everything necessary to assure the German interests. The idea of his statements seemed to be that one was, to be sure, in practice willing to grant Germany a better position than all the other nations and to express this in the text as far as possible, but that one would not agree to commit oneself in a definite treaty form. The Japanese Ambassador further declared that he would also willingly accept further German proposals for modifications regarding the Pro Memoria.

I explained to the Japanese Ambassador that at present I could not take up a standpoint regarding the text of the Pro Memoria. To me it seemed that the draft did not go further than the most preferential treatment which, in view of Germany's special situation, was not satisfactory. However, I would have this plan thoroughly examined and would then give him a report regarding the outcome of this examination.

The Japanese Ambassador then briefly mentioned the present situation of the German-Japanese negotiations for the commercial treaty. Unfortunately Japan was at present not capable of paying foreign bills of exchange to a greater extent, particularly in regard to the payment of the indemnity.

I declared that I was not informed about details and referred him to Min. Dir. WISHL.

"The Japanese Ambassador then expressed his thanks for the support which Mr. WORRALL had given him at the working conference in London. Mr. WORRALL and I then informed the Japanese Ambassador that our military advisors would probably leave Hankow on 5 July. It has not been altogether easy to effect their departure. In connection with the recall of Ambassador TRAVAILLOT a number of combinations regarding covering of German-Chinese relations and the recognition of the Peking Government had been in the Japanese press. I would be thankful if the Japanese press could be influenced in such a way that it would refrain from such combinations."

"The Japanese Ambassador then expressed himself optimistically regarding the further development of the military operations. After a capture of Hankow the position of CHIANG KAI-SHEK would be him untenable. The PRC memorandum on Berlin, 29 June 1938, (Exhibit No. 433, Document 40346, Exhibit No. 433) referred to the following points:

"Berlin, 6 July 1938

"(3) According to **MEMORANDUM** written on the Memorandum as to FOR A CONFERENCE WITH THE JAPANESE AMBASSADOR, ON 6 JULY 1938, the Ambassador referred to previous discussions with the Ambassador, who had informed himself, with reference to the fact that the Reichsmarschall in the conversation of 29 June 1938 had referred him to me regarding details of the pending economic negotiations. At first he spoke about the present

situation of the German-Japanese negotiations for the trade agreement and said that, in the last conversation of his Commercial Attaché SHUDO with M. D. WILHELM and L. R. VOLK, we had expressed certain wishes for the acceptance of German goods by Japan up to the amount of 150 million yen, suggested by Japan, for normal export, and had declared ourselves willing to take into consideration the Japanese suggestion for an agreement regarding an additional export of 150 million yen, half against Japanese goods, half on credit, in the event of the Japanese Government considering our wishes favorably. He had telegraphed this outcome of the conversation of his Commercial Attaché to Tokyo and had recommended consideration of our wishes. After having received instructions he would again contact us.

When the Ambassador again spoke about the Pro Manchuria on German-Japanese economic cooperation in China and insisted particularly and obstinately on his counterplan which he had handed to the German Foreign Minister on 29 June and which the Reichsminister had already declared unsatisfactory. The differences of opinion referred to the following points:

1) According to our suggestion the Pro Manchuria was to refer to 'the areas of China which are under Japanese influence.' The Ambassador wishes to replace these words throughout merely by just 'China' and brought up as a reason that the Japanese Government hoped to extend its influence over all of China, therefore it was for general reasons undesirable

2) The Japanese suggestion for changes under the letters a) and b) against the 1926 attachment. The Ambassador

to acknowledge in this document the possibility of a division of China into areas which either were or were not under Japanese influence. In answering this I stressed that, with our stipulation of text, we merely wished to clarify that the agreement did not apply to such areas which finally would remain of China without being under Japanese influence. In itself this was natural because the Japanese Government could of course only take over responsibilities for such areas in which it had influence. Therefore I was willing to ask for the Reichminister's decision whether he approved of the Japanese suggestion, to put only 'China' in the parts of the Pro Memoria concerned.

"2) The Japanese countercraft wishes to put the words 'German foreign trade' where, in various parts, it says 'German trade in China.' I declared to the Ambassador that we could not agree to this. The reconstruction and securing of the commercial activity of German firms in China was for us an unavoidable prerequisite for the economic cooperation in China desired by both governments. This commercial activity, however, not only consisted of the import and export of German goods by these firms to or from Germany, but also of trade within China and of mediation for export of Chinese goods to third countries for instance America and England. At last the Ambassador conceded this and consented that at the end of (I) and in (II) before the letter (a), just 'Germany's trade in China' should be put in place of 'foreign trade.'

"3) The Japanese suggestions for changes under the letters a) and b) present the main difficulty. The Ambassador

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"3) The Japanese suggestions for changes under the letters a) and b) present the main difficulty. The Ambassador

persisted that the Japanese Government could not promise us a better position than third powers and equal treatment with Japan regarding taxes, revenues, duties, traffic fees, etc. In answering I explained to him again and again that, in view of our support of the Japanese minister, China rendered with considerable sacrifices, we felt entitled to a better position than such powers which not only did not support Japan but laid, whenever they could, obstacles in her way. In any case I did not have the right to leave off from this demand in view of the binding instructions of the Reichsminister. Still the Ambassador asked me to again obtain the opinion of the Reichsminister over against third powers. This demand was rejected and also referred to the fact that VON RAUMER had promised natural consequences of the special relation between our two countries and the great sacrifices with which we were suggestions which differed from our version. At last I reporting the Japanese advance in North China. A statement declared myself ready to report to him the final attitude which is only 'essentially favorable,' however, did not of the Reichsminister and the eventual outcome of this sufficiently do justice to this situation legal consultation.

4) Finally the Ambassador told me that he had been
had been asked by the Foreign Minister of the German Reich
empowered by his government to give the planned Pro Memoria
a legally more binding form by a mutual provisional signing.
I responded that I would bring this to the notice of the
Reichsminister but pointed out that the Reichsminister, as
was known, had proposed through VON RAUHEN the form of
an exchange of notes. The Ambassador was of the opinion
that His government considered the form of an exchange of
notes impractical on account of the necessary but difficult
and also concerning consent of the Privy Council.

2012年1月1日-2012年12月31日

(e) Document 4041, (Exhibit No.):

"Berlin, 28 July 1938

MEMORANDUM

"On 27 July 1938 I went to see the Japanese Ambassador and told him on instructions of the German Reichs Minister, that the Reichs Minister, even after another thorough deliberation, did not find satisfactory the last Japanese proposal for the wording of the 'Pro Memoria' regarding North China, according to which Germany was to be promised only an 'especially favorable' treatment and that he stands on the demand for a promise for 'preferential treatment over against third states.' This demand was merely the natural consequence of the special relation between our two countries and the great sacrifices with which we were supporting the Japanese advance in North China. A treatment which is only 'especially favorable,' however, did not sufficiently do justice to this situation.

"Several reports from our representatives in China had contributed to the decision of the German Reichs Minister, from which it could be seen that also in the already peaceful part of North China every foreign trade was being ruthlessly eliminated in favor of the Japanese, and that thereby any more favorable treatment of the German trade was in no way taking place. This action induced the impression, that the long range Japanese economic policy in North China systematically leads to principally eliminating every foreign trade, even the German, and only permitting it in so far as Japan itself was not capable.

(e) Document 4041, (Exhibit No.):

"Berlin, 28 July 1938

TO THE AMERICAN

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of delivery or receipt. As evidence of this I presented
the ambassador the note enclosed in copy, in which five
cases of complaint are presented and made supplementary
explanations based on a detailed memorandum regarding
the situation of German economic interests in North China,
especially regarding the complete emulsion of Germany
which has set in since the Japanese occupation in two
fields in which we have had a leading position for many
years, namely, in the delivery of railroads and the hydro-
electric field. It followed from all of this that it was
not a question of an especially favorable treatment, but
to speak of a preferential treatment of Germany in North
China.

"I added, that Ambassador OTT would be commissioned
to present these complaints in Tokyo and to ask the
Japanese government for information regarding its intended
future economic policy in North China. Ambassador OTT,
during his presence here, had also been informed of the
course of the discussions here regarding economic con-
cerns of the military, knowledge was only given about such a short
operation in North China and informed of the differences
of opinion which still exist regarding the wording of the
Pro Memoria and would, when the opportunity presented
itself, on his part inform the Japanese government in Tokyo
of the concept of the Reichs Minister.

"Especially the latter statement was obviously extremely
disagreeable to Mr. Togo and upon my report on the commission-
ing of Ambassador OTT, which were at first more indulatory,
he posed several counter questions, until I made this com-
missioning more precise in the manner shown above.

of delivery or receipt. As evidence of this I presented the ambassador the note enclosed in copy, in which five cases of complaint are presented and made supplementary findings showed that he had oral explanations based on a detailed memorandum regarding the situation of German economic interests in North China, especially regarding the complete exclusion of Germany from the economic participation. He would now report to which has set in since the Japanese occupation in two Tokyo the complaints contained in the appendix and in the fields in which we have had a leading position for many years, namely, in the delivery of railroads and the hydroelectric field. It followed from all of this that it was not the intention of the fact that an arrangement could not a question of an especially favorable treatment, not to speak of a preferential treatment of Germany in North China. The following was to be added to this.

"I requested my ambassador to take care of returning to present these complaints in Tokyo and to ask the Japanese government for information regarding its intended future economic policy in North China. Ambassador OTT, during his presence here, had also been informed of the Japanese delivery in China and especially the general course of the discussions here regarding economic control of the Chinese railways and only over such such a short operation in North China and informed of the differences of opinion which still exist regarding the wording of the Pro Memoria and would, when the opportunity presented itself, on his part inform the Japanese government in Tokyo of the concept of the Reichs Minister.

"Especially the latter statement was obviously extremely disagreeable to Mr. Togo and upon my report on the commissioning of Ambassador OTT, which were at first more indicative, he posed several counter questions, until I made this commissioning more precise in the manner shown above.

"Importantly (speaking), Mr. Togo objected that he had always done his best to do something about such German complaints from North China, and in two instances he had even succeeded in that (Gates' findings showed that he had actually gone to some trouble regarding Point 2 of the Appendix, that, however, the Japanese account which had been given to it was not sufficient). He would now report to Tokyo the complaints enumerated in the appendix and in my oral statements. If up to now no especially favorable treatment of Germany in North China has taken place, then this was related to the fact that an agreement could just not be reached on the Pao Memorandum in which this especially favorable treatment was to be agreed upon.

"I expressed my astonishment at this remark, pointing out that from general circumstances alone, such an especially favorable treatment even without agreement was understood to be a matter of course. After a few excuses, the Ambassador admitted this, maintained, however, that the stopping of war material delivery to China and especially the recall of the military advisors had only come about such a short time ago that the effect of this gesture of friendship could not yet have carried through to (change) the attitude of the Japanese authorities everywhere in North China. He, too, presumed that on account of this gesture of friendship such would now improve of its own accord along the lines of our wishes.

2 VLS

July 1933

To be exhibited to the Japanese Ambassador via the State Councillor, with the request for a decision on the most appropriate of the suggestions.

"Finally the Ambassador made remarks concerning other details of the writing of the Pro-Soviet Treaty, upon which I could surmise that he was, nevertheless, very much interested in a further discussion also here on this subject, and that he possibly still has one or another concession on hand, which up to now, he has not brought further. He also inquired as to what attitude the German Reichs-Minister had taken to the form of the Pro-Soviet, namely execution by mutual signing.

"I answered that the Reichs-Minister had not taken any attitude towards those other details, as it was of no use to go more deeply into these questions, as long as the main point, namely the demand for preferential treatment was rejected by the Japanese side. But since Mr. Togo insisted, and as it could be of advantage to find out something about other possible Japanese concessions, and as he seems to be somewhat under pressure by the parallel action of our Ambassador in Tokyo, I at last promised him that I would get the decision of the Reichs-Minister regarding continuation of the discussion.

Signed WHEEL

To be submitted to

President in person/one of the special envoys and

the Reichs-Minister

and Secretary and Ambassador for Soviet Friendship, via

The Secretary of State

Mr. L. R. Voss

Secretary, Bureau of Economic, the recall

W VII

of military advisors and the suspension of all our material

Pol. VIII

To be submitted to the Reichs-Minister, via the State

Secretary, with the request for a decision on the last

sentence of the memorandum.

"The present note and enclosure shall furnish information
"Ambassador OSSI has been informed by telegram and other
"information sources in the same direction with the following
"Comments:

"(a) Document 4042B (Exhibit 30) is a record of a policy
"statement in Copy to K.138 in the three territories
"and the Bank account was opened for the administration
"of Concerning the situation of German Economic (other areas)
"Interests in the parts of China occupied by
"the Japanese economic policy in China and its relations
"on the German interests. They further in numerous reports
"that the Chinese government which the Japanese
"countries inevitably exercises upon foreign economic interests
"in China, the Japanese Government has repeatedly declared
"its intention to respect these foreign interests and to
"maintain the principle of the Open Door and the principles
"of the equal opportunities. (See Document 4042B, Japan section)

"In addition to that the Japanese Government has
"proclaimed economic interests in China a preferential treatment
"in consideration of the special relations existing
"between Germany and Japan and the great sympathy which
"Germany has shown since the conclusion of the Anti-Comintern
"Agreement. Through the preparation of numerous the recall
"of military advisors and the annexation of all war material
"supplied to Chinese military organizations in North and Middle

"One could not see clearly what practical consequences these Japanese promises for the German economic interests had as long as the areas of Tientsin, Peking, and Tsinan in North China, and the triangle Shanghai-Hangchow-Hungchow in Middle China were battle areas. As long as there was fighting, it was doubted whether the measures of the Japanese military authorities were conditioned by war and temporary or whether they were the expression of a policy calculated to be permanent. Now that these territories are for the great part pacified and opened for /the admission of/ German civilians (peddlers, traders and manufacturers) the German authorities could gain a clearer picture of the Japanese economic policy in China and its relations on the German interests. They confirm in numerous reports that the Japanese military authorities are striving to subjugate the Chinese economy under Japanese domination, to use this economy exclusively in the Japanese interest, and to push aside and eliminate all foreign interests.

Within this the German interests are treated no better than any other foreign interests. Principally, Japan wants to exploit China only in her own interest. Foreign cooperation only comes then into the question where the Japanese seems do not suffice, but even then only in a way which guarantees Japan's leadership (Japanese majority in mixed enterprises). Considerable orders are to be given internationally, whereby Germany does not possess any special advantage over other nations. Through the attitude of the Japanese military authorities in North and Middle

China is basically the same towards German economic interests, a certain difference is shown in the atmosphere's mood. The National Army which protects the Japanese claim in Manchuria and Inner Mongolia against Russia, shows a certain willingness for cooperation with Germany, whereas they consciously position themselves over against the English. On the other hand, the commercial expert reports about the Japanese attitude in Middle China (W VII 1731 of 23 June):

"Whereas the German merchants in North China are shown a certain consideration, the Japanese military and official sources here are apparently ashamed of this friendship, especially over against the English. Instead of showing oneself openly to it by permitting the German merchants something which one wants to refuse to the others, one only always talks about cooperation with Germany, and this as much as possible in private circles, that is, for the purpose of preventing us or to demand something ~~from us~~.

Consul General FISHER has referred the Japanese Consulate General in Shanghai, with which he was negotiating about a few factories which are under German influence, to the assurance of the Japanese Government to treat German interests preferentially. The Japanese Consul SONE answered to this that the Japanese Consulate had not received any such instructions and that it was impossible to make a distinction in the treatment of the members of the various sovereign nations.

"General General FISCHER & the war indemnity was characterized by Mr. General TAKAHASHI as a sum approved or by Japanese military authorities & owing to that all, in conclusion that the military authorities up to now have not allowed themselves to become disconcerted by all the statements from Tokyo about the respecting of foreign rights and interests in the ruthless utilization of their position of power and have not taken cognizance of the fact that German interests should be treated with care in the strangulation of foreign commerce."

"Usually this happened in such way that one day -
"The Japanese economic policy aims at the control of all the important industries of Manchuria and Mongolia. As objects of this national-Japanese policy are among amongst others: shipping, railways and other communications, undertakings, mines, salt-production, mills, spinning and weaving mills, cement, chemical factories, the telephone and telegraph industries.

"In practice it has proceeded in the following way: All mining or semi-public installations of the Central Provincial Government and the local administrations, i.e. railways, telephone, telegraph and wireless stations, arsenals and workshops, mines and salt-works necessarily have been seized by the Japanese military authorities. The greater part of factories of industrial character have been destroyed. The machines have been taken apart so far as they were still useful and the rest have been sent to Japan as scrap metal. As Consul GENE imported

to the German General Consul, Japan wants to retain the power for the decision whether the development of certain industries in China should be prohibited at all, which would be regulated according to the requirements of the Japanese economy. 1 of the Japanese law provides:

"As far as the Chinese factories are still existing, they will be taken over by the Japanese. For instance the cotton spinning industry of Middle China has thus been taken over by Japan and has been divided up for management by Japanese spinning mills. Every enterprise has to be taken over by Japanese engineers, most of the time with military escort, appeared, hoisted the Japanese flag and put up signs on which it was announced that the factory was now a Japanese enterprise. The Japanese emphasized that they only aspire to 'cooperation' with the Chinese owners who are invited to bear the repair expenses, which are usually considerable, to agree to the appointment of a Japanese manager and a technical advisor and to be content with a partition of the net proceeds. (U.V.Z. 3876). The Japanese do not consider "Should the Chinese owners object, then they are put under pressure either by refusal of admission to the factory buildings and other administrative measures or the suspension of the management takes place without Chinese consent. In this procedure it is not the arbitrary acts of individual military authorities, but they are the systematic attempt, which is approved by the Japanese Government to manage

Chinese industry - as far as it is permitted - in co-operation with the Chinese as a Chinese minority, that certain enterprises in China are to be created on the basis of special privileges also follows, among other things, from article 11 of the Japanese law concerning the North and Central China Development Co. which states:

"The Government shall make efforts to make the new in Japan. The efforts were exclusively to Japan. It is to be expected that the funds raised will also go to Japan to the proposed company and its affiliates."

the results of this Japanese policy are very serious for the German commercial activity in China. How insidious they may be for the Japanese in 1930 and 1931 and the results are, is already shown by contemplating the fields which the Japanese want to reserve for themselves. Railways and electricity.

"In the field of Railway construction, Germany has after the British and French financiers of the war of the First World War and Japanese loans from Japan on the part of the German Government and the Chinese National Government and who, with the assistance of middle term delivery credits made possible the building of the Hangchow-Yenan-Enchow-Pinghsiang Railway. It was expected that in a nationally united China, a great development of communications would take place and that Germany, together with England, would take a prominent part in it.

occupied by Japan, and that not so long ago the Chinese Central Bank, Nanking, Chinese Central and Public Works Institute, with the all supply and construction jobs, ~~now~~ the Japanese Chinese already control

"On 15 June of this year 7,000 Kilometers of the estimated 11,000 kilometers of the railroad lines were under Japanese control. Now they are run by the South Manchurian Railway Co. The Japanese are therefore forced to procure all material because the Chinese could have taken with them nearly the entire rolling stock, and have ordered first of all 250 locomotives and 10,000 coaches in Japan. The orders went exclusively to Japan. It is to be expected that the future orders will also go to Japan and that we will lose the old Chinese railways as customers.

"In addition to this the receipts of the Tientsin-Pukow line for the loans of 1909 and 1910 and the receipts of the Peking-Hankow line for a number of middle term delivery credits were mortgaged to us. These lines at present have no receipts. In order to maintain our rights, after the English had availed themselves of the use of the Tientsin-Pukow and Hukung loans from Japan on the 1st of May of this year, we have demanded the same treatment for the German shares of these loans as well as the advance (1670,000) on the Tientsin-Pukow lines. The Japanese Government up to now has not answered this demand.

"In the field of Chinese hydro-electricity the Siemens Company has had a leading position for many years. According to what the firm reports now, one can already clearly see today that Japan is not going to draw any non-Japanese firm in the future into the Chinese territories controlled by Japan, and that she is going to let the Hidemura Shuppan Kaishi Kabushiki Kaisha (half national and half joint-stock industry) carry out all supply and construction jobs. Examples of the Japanese advance already exists:

233) At the time of the outbreak of the conflict, to the activity of Germanic equipment had just
b. Given the outbreak of war, the Japanese had
already been built by means of which, the Germans
could not destroy them, but because of the unregulated
boat damage from the NISSON BUNSHIN DENKI KABUSHIKI
KATHRA. the Japanese action in the industrial field
described above, the Chinese private industry is mainly
given.
b) The same firm received orders for deliveries
from the public automatic telephone exchanges in
Shanghai. They could not accept ordered goods and could
not by the same firm participated in the founding of
a company for now existing in Nanking together with
the Mongolian Government. (Nanking May) and received
the order for a public automatic telephone exchange
applied and where the German company in 1914 was established
4) Up to now GERMANS & HALBER was almost exclusively
the only firms supplying telephone and telegraph equip-
ment for manifold utilization of overland wires. In
the territories occupied by Japan and now are only
given to Japanese firms from now on. (Up to now, the
three-channel telephone connections for North China
and one four-channel do. for Tientsin-Peking).
From the examples given above one can clearly see
that the German firm has been entirely pushed out by the
Japanese from fields, which in the past have been its
steadily huge customer, taken care of by the Germans. The
"It is to be feared that we will make the same experience
on all fields where Japanese monopolies prevail, until

Finally Japanese occupied China will be just as closed
to our commerce as Korea or Formosa.

b. Outside of the official offices which ordered railways,
hydro-electric and water power plants, mine and armament
equipment for Germany the Chinese private industry was our
best customer.

Due to the Japanese action in the industrial field
described above, the Chinese private industry is mainly
ruined. German trade has been heavily damaged by the
fact that many Chinese factory owners became unable to
pay, so that they could not accept ordered goods and could
not pay them and that for the future they have been
eliminated as customers. Most of them will be forced to
buy in Japan in the future if they want to continue working.

In a few cases where long term business relations
existed and where the German claims on Chinese undertakings
were especially large, the German firms had constituted
liens for themselves in the undertakings or had transferred
them to themselves for security. Their number is not large,
but the Consul General in Shanghai watched carefully
that such occasions were 'bona fide' and that they were
commercially justified and not fictitious bargains. In
the main it concerns the following cases:

The management and administration, respectively of these works
German Paints and Fire Protection. They were established
thinking the, by Chinese who are close to SEPA, in order
to introduce new firing methods, and were
technically taken care of by the SEPA. The
SEPA had high claims on all of them. In

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that such occasions were 'bona fide' and that they were
commercially justified and not fictitious bargains. In
the main it concerns the following cases:
The following and consequences, respectively of these works
Chinese Paints and Five Countries. They were established
Shantung, by Chinese who are able to build, in order
to introduce new dying methods, and were
technically taken care of by the DEPAG. The
DEPAG had high claims on all of them. In

which would be the best, as well as possible to get the
Japanese to give them their own control,
and the Japanese are the ones in the
position now as well as the Chinese as controlled
the Chinese. The only way to do this is to
by negotiation such as to remove the Chinese. Furthermore
this operation they expect the execution of work within
approximately the 2, 4 and 5 weeks.

2. No adjustment would be made in Germany's favor
~~approximately~~ 4.00. **Mitsui Portland Cement Works.**

In the interest of the Japanese Foreign Minister
many years of close business contacts has
by the Japanese by ~~approximately~~ 4.00 property
transfer for Germany's sake on 27 October
1937. The Japanese have removed the
Japanese and in a number of cases and parts of the machine
they do not recognize the transfer. Germany
considers that it will be taken over by force
by the Japanese.
The Japanese and government are apparently
~~approximately~~ 4.00 **Chung Cheng Portland Works.** The
Chinese that the manufacturing company many years of
would be ~~approximately~~ 4.00 business contacts and high claims by the
Japanese ~~approximately~~ 4.00. **CARLOWITE.** Transfer of property not recognized
approximately Japanese ~~approximately~~ 4.00
the continuing and transmission, respectively of these works
has been reported to the Japanese Consulate General in
case with the result that these systematic planning
especially caused by some of these enterprises under the
Chinese flag. When the German firms wanted to start working
approximately

these enterprises again, it was not possible to get the necessary permission from the Japanese Consulate General, and the Japanese military authorities began to get nervous about the nature of these works. Therefore the German Consulate General found itself forced to take up negotiations with the Japanese Consulate General. At this occasion the Japanese Consul SONE took the following attitudes:

- a) No distinction would be made in Germany's favor according to the following three points, *namely*:
In the treatment of the various foreign nations
they are treated by Japan as Chinese partners, friends
and etc.
- b) The efficacy of the transfer of property from
the Chinese to German nationals depends upon recognition
by the Japanese.

Japan was in a position to enforce its will by refusing work permits or other measures which, if necessary, could be taken by the newly set up Chinese Government. The lack of a judicial commission for this procedure was expressly confirmed. As reason for Japan's attitude Consul SONE stated that the sought for Chinese-Japanese "cooperation" would be hindered if the Chinese would find *anyway* to the foreign firms, *and the Chinese as a Japanese enterprise*.

"Consulor of the Embassy PFEIFER defended the judicial standpoint, that German firms, even if they possessed no claims against a Chinese firm, were entitled to acquire property from same, and that for this no Japanese permission was necessary; however, declared himself willing to enter into further discussions with the aim of finding a solution locally.

In view of the well known economic policy of the Japanese military authorities he is, however, convinced that in the long run a basic discussion is unavoidable with the Japanese Government regarding the conflicts with legitimate German interests, arising from their economic policy.

c) The German economic activity in the Japanese occupied territories is generally encroached upon in that the Germans, just as the rest of the foreigners, are prohibited from entering into the territories already pacified, whereas they are visited by groups of Japanese peddlers, traders and other civilians. This applies to North China along the Peking-Pao-tow Railway as well as to the triangle Shanghai-Nanking-Hangchow.

"In Inner Mongolia, the Kwantung Army has ordered the representatives of the firm MECLEIN & CO. to leave the area at once 'as this was necessary for the personal safety of the employees,' although Japanese business can go on working there as before. Thus the buying organizations of the German firm, which for many years has bought wool and skins there are paralysed, and the business has been conducted into the hands of a Japanese monopoly company. The same measures have been taken in Manchuria where the Manchurian Lifestock Co. has received a monopoly.

"The provisional government in Peking has further declared that the export of skins and furs from the ports of Tientsin, Chinkoo, and Tsingtao is prohibited, on 30

June of this year. The German firms, which have about a 50% share in this export, are heavily damaged by this. The German Chamber of Commerce in Tientsin requests permission to the Japanese Government, as this measure was taken at the insistence of the Japanese in the interest of Japanese war economy. A prohibiting of the export of cotton is said to be imminent.

- 3 -

"All in all the reports of the German officials in North and Middle China show that the German economic interests in China are worse off in the Japanese occupied areas than was ever the case in National China, even at the time of the sharpest anti-imperialistic Kuomintang propaganda. This fate is shared by the Germans with all other foreign interests. However no signs of preferential treatment of the German interests by Japan are to be found.

"Part of the injuries under which the German economic interests suffer are certainly to be traced to the war situation and the urgent critical situation, which forces Japan to take measures which otherwise it would not take. In the main, however, it concerns measures which originate from a consequential economic policy of Japan and aims at the abolition of all foreign influences in China. The example of Korea and Formosa shows where this development will lead to if we do not defend our interests with all *our* vigor.

"The Japanese have promised us, at the very least *de facto*, a preferential position. The facts give us the

right to ask Japan in what respect it has carried out these promises and how it intends to carry them out, and what the attitude of this governmental position will be toward the status quo ante.

Very respectfully submitted to Ministerial Director WIRE.

"Berlin, 24 July 1938."

(2) Document 40437, (Exhibit No. 1):

"Extract from a letter of Ambassador GÖTT - Tokyo - of 25 March 1939 to Ministerial Director WIRE.

"* * * In the question of our preferential treatment in China I was able to gather from conversations in the Foreign Ministry that Ambassador GÖTT has actually telegraphed repeatedly in accordance with our interests /in unison with/ * * * Generally I have the impression that one is not inclined to admit in writing the preferential treatment. As a way out, one is thinking of a *de facto* preferential treatment which is to be confirmed officially by actual deeds without written sanction. However, the actual deeds offered by Japan up to now are not very encouraging * * *

Signed GÖTT

Copy to

Minister WIRE

Signed File VIII

U. S. S. T. VII

File

File

Signed WIRE"

(B Document 1034A, (Exhibit No.):

"Agreement Regarding Trade between Japan
and Germany.

"The Government of Japan and the Government of Germany, in due consideration regarding the import and export of both countries, have reached the following agreement in the hope of promoting mutual trade and to bring about its development for the benefit of both countries so as to meet present economic conditions.

Article 1.

"The Government of one of the two countries shall permit, under ordinary transactions, the importation, during each fiscal year, of the products of the other country, according to the articles and prices agreed upon for each fiscal year by competent authorities of the two countries. The payment for the products mentioned above shall be made by liquidation decided upon by the agreement of competent authorities of the two countries, or by free foreign exchange.

Article 2.

"The Government of one of the two countries shall permit, under 'special transactions' to be added to the 'ordinary transaction' mentioned in the preceding article, the importation of the products of the other country according to the articles and prices agreed upon by competent authorities of the two countries during the term of this Agreement. The payment for the above products shall be made by liquidation or credit as decided by the agreement of competent authorities of the two countries.

"The German Government shall agree that the German Banking Syndicate will supply the Ichihama Specific Bank with funds for the purpose to facilitate the payment for the German products imported through 'special transactions' by Japan.

"The Japanese Government shall permit the Ichihama Specific Bank to remit necessary funds to repay the loan made according to the preceding clause.

Article 3.

"The Government of one of the two countries, in the enforcement of the provisions of this agreement, shall pay due consideration to the interests of the people of the other country who have been engaged in trade between the two countries.

"The governments of both countries shall not hinder the trade between the two countries by such measures as will necessitate the alienation from ordinary terms of transactions.

Article 4.

"The Government of one of the two countries, in order to prevent unreasonable rise in the price of products of its own country to be exported to the other country, shall take appropriate measures by always considering the price of the same products in a third country.

Article 5.

"The Governments of both countries shall strive to complete within the term of this Agreement, the delivery of goods ordered in 'special transactions.'

Article 6.

"The method of payment and technical details necessary for the enforcement of this Agreement shall be decided upon through the understanding of competent authorities of the two countries.

Article 7.

"The Governments of both countries shall continually observe the development of the trade between the two countries and adjust it so as to conform with the provisions of this Agreement. For this purpose the representatives appointed by each Government shall meet in Tokyo and Berlin every three months, or more frequently if necessary.

Article 8.

"The provisions of this Agreement shall be applicable only to those goods of one of the two countries shipped or transported directly to the other country, whether through a port of a third country or not.

Article 9.

"This Agreement shall not be applicable to transit goods.

"In the accounts stipulated in this Agreement, goods, either imported into the leased territory of Kwantung from Germany or exported to Germany from the leased territory of Kwantung, shall be regarded as transit goods.

Article 10.

"Products of one of the two countries imported by the other country according to this Agreement, and re-exported by this import country to a third country without being manufactured to cause any national changes economically, shall be outside the application of this Agreement.

Article 11.

"In this Agreement:

- (1) "Products" of Japan or Germany shall mean commodities which are either completely manufactured or goods that are finished to give them the national and substantial character economically in the respective countries.
- (2) The "Fiscal year" will be the one year beginning from October 1.

Article 12.

"Canned crab, canned fish, whale oil, fish skin, and other similar marine products manufactured or finished on Japanese ships outside of the Japanese territorial waters or by Japanese enterprises in the territories of the Union of Soviet Socialist Republics shall be regarded 'products' of Japan defined in Article 11 of this Agreement.

"When these products are shipped or transported directly from the above places, they shall be regarded as being shipped or transported from Japan, irrespective of the provisions in Article 8 of this Agreement.

Article 13.

"The provisions of this Agreement shall be applied to all areas belonging to or under the protection of one of the two countries. The protectorates of Bohemia and Moravia, however, shall be outside the application of this Agreement.

Article 14.

"This Agreement shall take effect on the first of October, 1939, and shall be valid till the thirtieth of September 1941.

"If the Government of one of the two countries should notify the other Government, after six months from the date of enforcement of this Agreement, of its desire for any alterations in this Agreement, the other Government shall agree to open negotiations for this purpose. If the negotiation is not arranged within two months from the date of notification, the government desiring the above alterations may announce a renunciation of this Agreement. In this case this Agreement shall be valid till the last day of the following month after the announcement has been made.

Article 15.

"Matters regarding transactions and payments according to this Agreement which are not completed at the expiration of this Agreement, shall be disposed of according to the provisions of this Agreement and other arrangements pertaining to it.

"In witness whereof, the undersigned, duly authorized by their respective governments, have signed this Agreement.

"Two copies of this of equal validity in Japanese and German are made in Berlin on , the fourteenth year of Showa or 1939."

(3) In early October 1940, after the conclusion of the Tripartite Pact, an arrangement was made by which Japan should buy raw materials from the Netherlands East Indies for use by Germany. In return, Japan desired to obtain a market in Germany or in the countries economically dependent upon Germany for Japanese-produced items. Due to the anticipated unfavorable reaction to the Tripartite Pact of countries friendly to England and America.

Proof

(a) Document 40428, (Exhibit No.)

"Berlin, 8 October 1940

MEMORANDUM

Memorandum from STEPHEN dated 8 Oct 1940.

"I informed the Japanese Ambassador on 4 October that we would like to make use of his offer, that Japan could buy raw materials from Netherlands East Indies for us, in excess of her own demands and pass them on to us. Regarding details of our wishes I handed him a note with the following contents: '3 million reichsmark in foreign bills of exchange for tin, rubber and castor-oil plants' seeds or castor oil. 1 million reichsmark in foreign bills of exchange for about 1,000 tons of spices. In the first place information is requested on the quantities that can be delivered, and the time of delivery. The amounts of foreign bills of exchange could be paid in full to the working association of the three biggest Japanese business concerns for a receipt and a declaration of obligation that the goods concerned would be handed over within a period of two months to the confidant on the German side in Pairsen (Manchukuo). In the event of a part of the goods not being delivered, before the expiry of the period of time the firms promise to pay back the equivalent of the undelivered parts immediately in foreign bills of exchange according to German choice.'

"The Japanese Ambassador promised me to telegraph my information to his government. He remarked, he would then

acquiescence

suggest to his government that on receipt of our proposal on its part it expresses the desire to obtain an enlarged market in Germany and the countries occupied by Germany or those economically dependent on Germany for such Japanese products, which Japan, due to the reaction to the Tripartite Pact, will probably not be able any more to sell in countries of English-American influence to the previous extent. With regard to this I told the Ambassador that we would be pleased to examine such wishes.

(signed) WIHNL

Copies to St. S.

U. St. S. Pol, Pol VIII, DS U, W VII with the request to inform the competent authorities and the Embassy in Tokyo."

(4) On 28 April 1941, a draft of a work program was prepared for the Economic Subcommission of the Tripartite Pact in Berlin. This work program included cooperation in many fields. Waging of commercial and economic warfare included the exchange of economic information between the signatories and their representatives in neutral countries, supervision of the trade of neutral countries with enemy countries, control of purchases with the aim of disturbing markets in neutral countries, common economic pressure on neutral countries, and economic measures to deprive the enemy of shipping space. Mutual support was planned in the supply of raw materials, which included plans for purchasing, transporting and financing. Mutual transmission of patents and licenses, granting of technical assistance, and partnerships transactions relating to capital were contemplated. It was planned to transport raw materials from the Netherlands East Indies, Thailand, Indo-China and China to Japan. The cooperation was intended to extend to the promotion of economic combinations between the states belonging to the Tripartite Pact, and include measures deemed practicable and necessary for the period of the present war and preparations for the post-war period.

Proof

(a) Document 4024A, (Exhibit No.)

"SECRET STATE AFFAIR

Berlin, 28 April 1942

MR. MR. POL. 102

DRABEK

Work Program for the Economic Subcommission
of The Tripartite Pact in Berlin.

"I) The economic subcommission has the task of advising what can be done between the countries belonging to the Tripartite Pact in order to secure mutual support, especially in the economic field, in war and in the postwar period. It lays down the results of its deliberations in proposals to the main commission. The individual negotiations necessary for the execution of the proposals after these have been approved by the main commission, will be conducted directly between the participating governments.

"II) The economic subcommission will be charged with examining the possibilities of an accord and mutual support at first in the following fields.

- 1) In waging the commercial and economic war by economic measures (military measures are dealt with by the military subcommission).
- 2) In the procurement of raw materials.
- 3) In construction and extension of plans for military and defense economy preparations.
- 4) In the utilisation and extension of trade routes.
- 5) In the promotion of economic combinations between the states belonging to the Tripartite Pact.

"III) The examinations and proposals are at first to include the measures practicable and necessary for the period of the present war, but should also already now extend as far as possible to the preparations for the postwar period.

"IV) In the beginning the possibilities existing between the three main powers are to be examined, but already now, as far as it is possible and necessary, the participation of the other states which have joined the Tripartite Pact is to be considered.

Internal Implementations.

"On 1) to 5)

On 1) Meant is, for instance, exchange of economic information between the governments and their representatives in neutral countries, supervision of the trade of neutral countries with enemy countries, control of interference purchases in neutral countries, common economic pressure on neutral countries, economic measures to deprive the enemy of shipping space, measures against enemy property, common economic defence against foreign measures such as freezing of credit, confiscation of ships, etc. Whether joint measures for the running of the enemy blockade should be dealt with by the military or economic subcommission remains to be decided.

"On 2) Mutual support in the procurement of raw materials will have to extend to purchasing, transporting and financing. Regarding transport measures compare No. 4).

"On 3) Meant is mutual transmission of patents and licenses, granting of technical assistance, partnerships regarding capital.

"On 4) Meant is:

a) Questions concerning railways, for instance systemisation of negotiations with Soviet Russia regarding use of Siberian railway. In doing this the keeping secret of our arrangements with Russia must not be endangered. Therefore Italian procurements from the Far East by the Siberian railway must not come to light.

b) Questions of shipping, for instance improvement of the Japanese shipping lines to Vladivostok, the transport of raw materials from the Netherlands-Indies, Thailand, Indo-China, and China to Japan; later on also accord in the operation of the main routes of world shipping.

c) Questions regarding air transport, for instance establishment of the air-route Rome-Berlin-Tokyo, later on also accord regarding the main routes of world air transport.

"On 5) Meant is, for instance, removal of orders and measures hindering or limiting exchange of goods; setting up of principles for future loan and currency policy, etc. To put the promotion of commercial intercourse also between the countries and areas under the *de jure* or *de facto* supremacy of the influence of Germany, Italy, and Japan, already now on the order of the day is not recommended, because that might lead to the discussion of questions

not yet ripe for judgment, as, for instance, incorporation
of the Netherlands Indies in the Great East Asia Sphere,
direct trade of Germany with the countries of the Great
East Asia Sphere, etc."